

STATE OF WASHINGTON



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OFFICE OF  
INSURANCE COMMISSIONER

**TO: ALL PROPERTY/CASUALTY INSURERS THAT INCURRED LOSSES  
IN THE FEBRUARY 28, 2001, NISQUALLY EARTHQUAKE**

**SUBJECT: CALL FOR LOSS STATISTICS RELATING TO THE EARTHQUAKE**

All property/casualty insurers authorized to transact business in the State of Washington and that incurred losses in the February 28, 2001, Nisqually earthquake are requested to submit their loss data to the Washington State Office of Insurance Commissioner.

This data call consists of four reporting sections. The first two sections (A & B) pertain to the total losses incurred by the company on the earthquake while the last two sections (C & D) pertain to losses incurred in Western Washington only; however, the last two sections need be submitted only by companies that incurred residential and commercial losses.

Data must be submitted by individual companies, not by group (except for Section B, Part 5, where reinsurance data is requested by pooling groups).

The last pages of the data call identify a few guidelines on how the reporting company can validate its data prior to submission.

This data call is similar to the one initiated by the California Department of Insurance following the 1994 Northridge earthquake. When preparing a response to this request, it might be helpful to those companies that responded to the California data call to review the manner in which the company provided the Northridge data.

**REPORTING DATES:**

- All losses are to be evaluated as of June 30, 2002.
- All insurers must submit their data by August 30, 2002.

We appreciate your assistance in complying with the data call by the above deadline.

D. Lee Barclay, FCAS, MAAA, ARM  
Senior Actuary

## **I. GENERAL RULES:**

Data to be reported in this call will consist of the number of claims, incurred losses, bulk and IBNR reserves, defense and cost containment expenses (formerly allocated loss adjustment expenses), reinsurance, policy volume, and specific claims related information.

When one or more insurers reporting are members of a group, each company is required to report its experience separately. Moreover, companies belonging to a group with reinsurance pooling arrangements are also requested to provide their reinsurance figures as a group in addition to providing them individually. The Washington Office of Insurance Commissioner is interested in reviewing each company's loss experience related to the earthquake as an individual unit and as part of the pooling group.

## **II. REPORTING DUE DATES:**

All four sections of the data call are to be submitted to the Office of Insurance Commissioner by August 30, 2002.

- All property/casualty insurers that incurred losses must return Sections A & B.
- Property/casualty insurers that have losses under homeowners and commercial lines of business must also return Sections C and D.

## **III. METHOD OF REPORTING:**

Sections A, B, C and D should be reported as follows:

- a) A cover letter must be submitted, which explains how the company deductible works and reconciles the reported losses on Sections C and D.
- b) Detailed data are to be submitted on 3½" IBM compatible diskettes or CD-ROM using Microsoft Excel. All data may be submitted on one CD; we do not need a separate CD for each section. Hard copies of the detailed data (file print-out) may be submitted in lieu of diskettes. Hard copies should identify the fields used in the databases/spreadsheets.
- c) The data totals must also be reported on pages 15, 21 and 22 of the data call and submitted to the Office of Insurance Commissioner. These figures will be used to verify the detailed data submitted.
- d) Losses should be evaluated as of June 30, 2002.

## **IV. COMMUNICATIONS:**

All communications must be directed to one of the following:

Lee Barclay	(360) 586-3685	LeeB@oic.wa.gov
Eric Slavich	(360) 664-8136	EricS@oic.wa.gov
Lillian Austin	(360) 664-2569	LillianA@oic.wa.gov

Washington Office of Insurance Commissioner  
Rates & Forms Division  
P O Box 40255  
Olympia, WA 98504-0255  
Street address: 5000 Capitol Boulevard  
Tumwater, WA 98501

Attention: Lee Barclay

**SECTION A  
COMPANY INFORMATION  
Nisqually Earthquake Survey**

The contact person from our company for this report is:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

Company NAIC Code: \_\_\_\_\_ Group Code: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<b>For Property &amp; Casualty Companies:</b>
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Indicate the 2000 Annual Statement Page 14 for Washington	
Direct Earned Premium	Incurred Loss
Line 12. Earthquake: _____	_____
Line 32. Total: _____	_____

\_\_\_\_\_

DATE OF LOSS VALUATION: (June 30, 2002)  
(Date when loss information were collected)

\_\_\_\_\_  
Signature of Contact Person

\_\_\_\_\_  
Date

## SECTION B

Primary insurers are requested to fill out parts 1 through 5. Reinsurers are requested to fill out parts 2 through 5 only. Losses requested in this data call should be evaluated as of June 30, 2002.

1. In Part 1, the primary insurers should report all direct losses (before any reduction for reinsurance) by annual statement line of insurance. Losses arising out of fires should be reported separately, since a fire loss can occur under any line of insurance and the annual statement line "fire" can include shake losses. This part is divided in two subparts. In subpart (a), report shake caused losses only. In subpart (b), report fire losses only.

It is necessary, for informational purposes, that the loss figures for Fire, Inland Marine, Earthquake and Others be differentiated into Commercial or Residential (or Personal and Commercial in the case of Inland Marine). If a company cannot identify residential and commercial losses in these fields, it should put them under Undetermined.

Provide the bulk and IBNR reserves on the last row of the tables before the total.

All claims related to a single policy should be counted as one claim. Note: This section refers to all losses incurred by the company related to the Nisqually earthquake (and aftershocks) - regardless of the zip code location.

### Definitions of Terms:

- a. Number of Claims Reported consists of the total number of claims recorded by the company related to the February 28, 2001 Nisqually earthquake.
  - b. Number of Claims Paid and/or Outstanding consists of the number of claims for which losses have been paid out and/or money has been put up on reserve.
  - c. Direct Losses Incurred refers to the dollar amount of losses the company has paid out and/or put up reserves in relation to the February 28, 2001 Nisqually earthquake (net of deductible).
  - d. Direct Defense and Cost Containment Expenses Incurred refer to the loss adjustment expenses allocated by the insurer in processing specific claims arising from the February 28, 2001 Nisqually earthquake.
2. Part 2, Summary of Reinsurance, is to be reported by all insurers. There are two subparts to be reported. Companies with no reinsurance transactions need to fill out part 2(a) only. Companies with reinsured losses are required to fill out subparts 2(a) and 2(b).

In subpart 2(a), report the total direct, assumed, ceded and net losses, as well as defense and cost containment expenses for the company. If a company did not have reinsurance transactions, the direct loss or the first row should match the net loss figures on the fourth row.

In subpart 2(b), report the reinsurance figures by the lines of business specified on the table for each company. For losses in lines of businesses not specified (Accident & Health, Allied, Farmowners, Other Liability, Workers Comp, Auto, Glass, Burglary & Theft, Boiler & Machinery, etc.), place them under "others-undetermined." Inland Marine should be put under "Others" for this table but classified as either Personal/Residential, Commercial or Undetermined.

- 3-4. Part 3, Summary of Assumed Business, and Part 4, Summary of Ceded Business, are to be reported by all insurers that had reinsurance transactions related to the earthquake. Provide a listing of the company from which losses and loss adjustment expenses were assumed (Part 3) or to which losses and loss adjustment expenses were ceded (Part 4). Provide additional pages if needed. The total loss and expense figures should match those reported in Part 2.

5. For companies belonging to a group with an inter-company reinsurance pooling agreement, fill out Part 5 as a group. Reinsurance (ceded and assumed) figures are to be reported only for losses reinsured with companies outside the group; do not report reinsurance assumed or ceded from/to companies within the group. This part needs to be filled out only once for each pooling group; all companies belonging to the pooling group need to be identified at the bottom of the page.

**Example:** Companies A and B belong to Group ABC and have a pooling agreement. Company A incurred a total direct loss of \$2 million in its commercial line, \$1.5 million of which was ceded to company B. Company B incurred a total direct loss of \$5 million in its commercial line as well, \$3 million of which was ceded to company XYZ, who does not belong to the group. Company B also assumed \$1.5 million of losses from Company A. In Part 5, the group's total direct commercial line loss should be \$7 million (\$2 million from A and \$5 million from B). Total ceded is only \$3 million since only company B is ceding losses outside the group. Nothing should be shown as assumed losses as the group did not assume anything from outside the pooling group.

On the space provided, list the NAIC codes of all companies belonging to the group that are participating in the pool.

**Summary of Losses  
Nisqually Earthquake Survey**

Company NAIC: \_\_\_\_\_ Company Name: \_\_\_\_\_

**Part 1(a) - Losses other than fire losses**

Insurance Line		Number of Claims		Direct Losses Incurred	Direct Defense and Cost Containment Expenses Incurred
		Reported	Paid & Outstanding		
Accident & Health					
Fire	Residential				
	Commercial				
	Undetermined				
Allied Lines					
Farmowners MP					
Homeowners MP					
Commercial MP					
Other Liability					
Inland Marine	Personal				
	Commercial				
	Undetermined				
Earth-quake	Residential				
	Commercial				
	Undetermined				
Workers Compensation					
Auto-mobile	Personal				
	Commercial				
Glass					
Burglary and Theft					
Boiler and Machinery					
Others	Residential				
	Commercial				
	Undetermined				
BULK & IBNR					
TOTAL					

**SECTION B**  
**Summary of Losses**  
**Nisqually Earthquake Survey**

Company NAIC: \_\_\_\_\_ Company Name: \_\_\_\_\_

**Part 1(b) - Fire losses only**

Insurance Line		Number of Claims		Direct Losses Incurred	Direct Defense and Cost Containment Expenses Incurred
		Reported	Paid & Outstanding		
Fire	Residential				
	Commercial				
	Undetermined				
Allied Lines					
Farmowners MP					
Homeowners MP					
Commercial MP					
Other Liability					
Inland Marine	Personal				
	Commercial				
	Undetermined				
Others	Residential				
	Commercial				
	Undetermined				
BULK & IBNR					
TOTAL					

**SECTION B**  
**Summary of Losses**  
**Nisqually Earthquake Survey**

Company NAIC: \_\_\_\_\_ Company Name: \_\_\_\_\_

**Part 2(a) - Summary of Reinsurance (all lines) - company level**

	Incurred Losses	Defense and Cost Containment Expenses Incurred
(1) Direct		
(2) Assumed*		
(3) Ceded*		
(4) Net (1)+(2)-(3)		

\* include catastrophe reinsurance

**Part 2(b) - Summary of Reinsurance by Line of Business**

Insurance Line		ASSUMED BUSINESS		CEDED BUSINESS	
		Incurred Loss	Defense and Cost Containment Expense Incurred	Incurred Loss	Defense and Cost Containment Expense Incurred
Fire	Residential				
	Commercial				
	Undetermined				
Homeowners MP					
Commercial MP					
Earth-quake	Residential				
	Commercial				
	Undetermined				
*Others	Residential				
	Commercial				
	Undetermined				
Bulk & IBNR					
Total					

\* Others refers to losses on other lines of business not specified on this table. Other lines of business (Accident & Health, Allied, Farmowners, Other Liability, Workers Comp, Auto, Glass, Burglary & Theft, Boiler & Machinery) may be lumped under the Others-Undetermined row. Inland Marine should be put under "Others" for this table but classified as either Personal/Residential, Commercial or Undetermined.



**SECTION B**  
**Summary of Losses**  
**Nisqually Earthquake Survey**

Company NAIC: \_\_\_\_\_ Company Name: \_\_\_\_\_

**Part (3) - Summary of Assumed Business**

NAIC Co. Code	Name of Ceding Company	Amount of Incurred Loss Assumed (incl. Bulk/IBNR)	Assumed Loss Adjustment Expense	Amount of Reinstatement Premium	No. of Times Reinstatement was Triggered
	<b>TOTAL</b>				

**SECTION B**  
**Summary of Losses**  
**Nisqually Earthquake Survey**

Company NAIC: \_\_\_\_\_ Company Name: \_\_\_\_\_

**Part (4) - Summary of Ceded Business**

NAIC Co. Code	Name of Assuming Company	Amount of Incurred Loss Ceded (incl. Bulk/IBNR)	Ceded Loss Adjustment Expense	Amount of Reinstatement Premium	No. of Times Reinstatement was Triggered
	<b>TOTAL</b>				

**SECTION B**  
**Summary of Losses**  
**Nisqually Earthquake Survey**

Group NAIC: \_\_\_\_\_ Group Name: \_\_\_\_\_

**Part (5) - Summary of Reinsurance** (group) level - to be filled out as a group by companies belonging to a group with inter-company reinsurance pooling agreements eliminated. This should only be submitted once for each group.

Insurance Line		1. DIRECT BUSINESS		2. ASSUMED BUSINESS		3. CEDED BUSINESS		NET BUSINESS (1+2-3)	
		Incurring Losses	Defense & Cost Containment Expns. Incurred	Incurring Losses	Defense & Cost Containment Expns. Incurred	Incurring Losses	Defense & Cost Containment Expns. Incurred	Incurring Losses	Defense & Cost Containment Expns. Incurred
Fire	Residential								
	Commercial								
	Undetermined								
Homeowners MP									
Commercial MP									
Earth-quake	Residential								
	Commercial								
	Undetermined								
*Others	Residential								
	Commercial								
	Undetermined								
Bulk & IBNR									
Total									

\*Others refers to losses on other lines of business not specified on this table. Other lines of business (Accident & Health, Allied, Farmowners, Other Liability, Workers Comp, Auto, Glass, Burglary & Theft, Boiler & Machinery) may be lumped under the Others-Undetermined row. Inland Marine should be put under "Others" for this table but classified as either Personal/Residential, Commercial or Undetermined.

**NAIC Codes &  
names of companies  
belonging to this  
pooling group.**

( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
( ) \_\_\_\_\_ ( ) \_\_\_\_\_

## SECTION C

The intent of this section is to get an overview of insurance in Western Washington by zip code and to estimate the proportion of individuals and businesses that have elected to purchase an earthquake damage policy or endorsement covering structures and contents. This section is to be filled out by primary insurers only (i.e. direct business) and only with respect to the homeowners property coverages (including renters, condo owners, and mobilehomes) and the commercial property or businessowner property coverage forms. Other types of losses (e.g. automobile, workers compensation) should not be reported here. Losses reported should be evaluated as of June 30, 2002.

The data are to be reported for all Western Washington zip codes from 982\_\_ to 987\_\_. List all zip codes with insureds, even if there were no reported losses in the zip code; however, it is not necessary to include zip codes where there were no insureds.

This data should be submitted on a 3½" IBM compatible diskette or CD in Microsoft Excel. This file should be named POLCNT.XLS; companies that will be using more than one file to submit their data may name the files POLCNT1, POLCNT2, POLCNT3, etc.

Only the first 20 columns (Columns A to T) of the spreadsheet shall be used.

For commercial policies with multiple location/zip code coverage, treat each location/zip code as a separate policy if possible. If that is not possible, code the policy under the zip code with the highest loss exposure.

Claims and losses to be provided should be related to the February 28, 2001 earthquake only (and aftershocks). Incurred loss equals paid plus outstanding reserve excluding loss adjustment expenses. The following information must be provided for each zip code and for each Policy Form, whether or not an earthquake endorsement is present.

Column/Field: Description

**A. NAIC Code**

Indicate the 5-digit company NAIC Code.

**B. Zip Code**

Indicate the 5-digit zip code at which the insured structure or contents were located. For commercial policies with multiple location/zip code coverage, treat each location/zip code as a separate policy if possible. If it is not possible, code the policy under the zip code with the highest loss exposure.

**C. Policy Form Code (use codes listed below)**

1=Dwelling Fire Forms

3=Dwelling Forms (ISO or WSRB HO-1,2,3,8 or equivalent)

4=Renters Forms and Contents Forms (ISO or WSRB HO-4 or equivalent)

5=Dwelling Earthquake Only Forms

6=Condominium Forms (HO-6 or equivalent)

7=Mobilehome or Manufactured Home Forms

8=Commercial/Businessowners Forms - multifamily structures

9=Commercial/Businessowners Forms - other than multifamily structures

**D. Number of Policies with Earthquake Endorsement**

For each policy form and zip code, indicate the total number of policies issued in the zip code that have an earthquake endorsement.

**E. Number of Policies without Earthquake Endorsement**

For each policy form and zip code, indicate the total number of policies issued in the zip code that do not carry an earthquake endorsement.

- F. Total Amount of Fire Coverage on Structure for Policies with Earthquake Endorsement**  
For all the policies in "D", indicate the total sum of the limits of fire coverage on structures for all policies with an earthquake endorsement, by zip code and policy form.
- G. Total Amount of Fire Coverage on Structure for Policies without Earthquake Endorsement**  
For all the policies included in "E", indicate the sum of the limit of fire coverage on structures for all policies without an earthquake endorsement, by zip code and policy form.
- H. Total Amount of Fire Coverage on Contents for Policies with an Earthquake Endorsement**  
Indicate the sum of the limit of fire coverage on contents for all policies with an earthquake endorsement for each zip code and policy form.
- I. Total Amount of Fire Coverage on Contents for Policies without Earthquake Endorsement**  
Indicate the sum of the limit of fire coverage on contents for all policies without an earthquake endorsement for each zip code and policy form.
- J. Total Amount of Earthquake Coverage on Structures**  
Indicate the sum of the limit of earthquake coverage on structures for all policies with an earthquake endorsement for each zip code and policy form.
- K. Total Amount of Earthquake Coverage on Contents**  
Indicate the sum of the limit of earthquake coverage on contents for all policies with an earthquake endorsement for each zip code and policy form.
- L. Total Number of Claims**  
Indicate the total number of all claims for each zip code and specific policy form (regardless of whether an earthquake endorsement is present) made due to the February 28, 2001 earthquake and aftershocks. All claims related to a single policy should be counted as one claim.
- M. Number of Claims Incurred Covered by Earthquake Endorsement**  
Indicate the number of claims where losses incurred are covered by the earthquake endorsement. Include the number of claims that are partially covered by the earthquake endorsement.
- N. Dollar Amount of Incurred Loss (after deductible) Covered by Earthquake Endorsement for Dwelling/Commercial Structure and Other Structure**  
Indicate the total dollar amount of incurred losses (paid and/or outstanding) for structure and/or other structure, after deductible, which are covered under the earthquake endorsement for dwelling or commercial structure and other structure. Include incurred losses that are partially covered by the earthquake endorsement.

- O. Dollar Amount of Incurred Loss (after deductible) Covered by Earthquake Endorsement for Dwelling Contents (Homeowner forms) or Business Personal Property (Commercial forms)**  
Indicate the total dollar amount of incurred losses (paid and/or outstanding), after deductible, covered by the earthquake endorsement for dwelling contents or business personal property (depending on the policy form being reported). Include incurred losses that are partially covered by the earthquake endorsement.
- P. Dollar Amount of Incurred Loss (after deductible) Covered by Earthquake Endorsement for Dwelling Loss of Use (Homeowner forms) or Loss of Income (Commercial forms)**  
Indicate the total dollar amount of incurred losses (paid and/or outstanding), after deductible, covered by the earthquake endorsement for dwelling loss of use or commercial loss of income (depending on the policy form being reported). Include incurred losses that are partially covered by the earthquake endorsement.
- Q. Number of Claims Incurred on other than the Earthquake Endorsement**  
Indicate the number of claims where incurred losses are covered but not by an earthquake endorsement. (This applies to all policies - with or without earthquake endorsement.) Include the number of claims that are partially covered but not by an earthquake endorsement.
- R. Dollar Amount of Incurred Losses on other than Earthquake Endorsement for Structure and Other Structure**  
Indicate the total dollar amount of incurred losses (paid and/or outstanding), after deductible, covered but not by an earthquake endorsement for structure and other structures. Include incurred losses that are partially covered but not by an the earthquake endorsement.
- S. Dollar Amount of Incurred Losses on other than Earthquake Endorsement for Contents (Homeowner forms) or Business Property (Commercial forms)**  
Indicate the total dollar amount of incurred losses (paid and/or outstanding), after deductible, covered but not by an earthquake endorsement for dwelling contents or business personal property (depending on the policy form being reported). Include incurred losses that are partially covered but not by an earthquake endorsement.
- T. Dollar Amount of Incurred Losses on other than Earthquake Endorsement for Loss of Use (Homeowner forms) or Loss of Income (Commercial forms)**  
Indicate the total dollar amount of incurred losses (paid and/or outstanding), after deductible, covered but not by an earthquake endorsement for dwelling loss of use or commercial loss of income (depending on the policy form being reported). Include incurred losses that are partially covered but not by an earthquake endorsement.

**SECTION C**  
**Zip Code Policies Summary**  
**Nisqually Earthquake Survey**

Company NAIC: \_\_\_\_\_ Company Name: \_\_\_\_\_

Enter below the total figures for data submitted in the POLCNT file(s) for section C:

	Total Number of Policies	Total Amount of Fire Coverage		Total Amount of Earthquake Coverage	
		Structure	Contents	Structure	Contents
With Earthquake Endorsement					
Without Earthquake Endorsement					

Loss Covered by	Total Number of Claims	Total Dollar Amount of Incurred Loss		
		Structure & Other Structures	Contents or Business Property	Loss of Use or Loss of Income
Earthquake				
Other than Earthquake				

Number of disks or CDs submitted: \_\_\_\_\_ Total Number of POLCNT files submitted: \_\_\_\_\_

## SECTION D

This Section requests information on individual claims for structural damage, contents damage, and time element exposure. Other types of losses (e.g., automobile, workers compensation) should not be reported here. Losses reported should be evaluated as of June 30, 2002.

This section requires a cover letter that explains the following:

- (1) An explanation of how the company's deductibles work. Specifically, what is the deductible provision in the policies and how was the deductible applied in settling the losses? For instance, there may be one deductible for structures and one for contents, or one deductible for both structure and contents losses combined. In reporting the losses, a company may apply the deductible to the structure loss and report the contents loss gross. In making an actuarial analysis of the losses, it is critical for the Office of Insurance Commissioner to know exactly how the deductible works.
- (2) A reconciliation of the Section D reported losses with the section C reported policy information. The total losses should be the same in both sections. In the actuarial analysis of the data, the policy statistics in Section C will be combined with the loss statistics in Section D, to relate the losses to all of the policies in force at the time of the earthquake, so it is critical that both sections reconcile.

This data should also be submitted in an Excel spreadsheet on a 3½" IBM compatible diskette or CD.

Dwelling and commercial/multifamily losses must be reported on two separate files.

### DWELLING/RESIDENTIAL LOSSES

The following information must be provided for each dwelling related claim. Name the file as DCLM.XLS. Companies who will be using more than one file to report dwelling losses should name the files as DCLM1, DCLM2, etc.

#### Column/Field    Description

**A. NAIC Code**

Indicate the 5-digit company NAIC Code.

**B. Claim file number**

Indicate a unique claim file number. If the Office of Insurance Commissioner has questions regarding specific claims, the company should be able to identify it through the claim number. All claims related to one policy should be counted as one claim.

**C. Policy Form Code (use the codes listed below:)**

1=Dwelling Fire Forms

3=Dwelling Forms (ISO or WSRB HO-1,2,3,8 or equivalent)

4=Renters Forms and Contents Forms (ISO or WSRB HO-4 or equivalent)

5=Dwelling earthquake only forms

6=Condominium Forms (HO-6 or equivalent)

7=Mobilehome or Manufactured Home Forms

**D. Zip Code**

Indicate the 5-digit zip code at which the loss occurred.

**E. Amount of Fire Limit on Structure**

Indicate the dollar amount of the policy limit on fire coverage for structure associated with this claim.



**F. Amount of Earthquake Limit on Structure**

If the policy carries an earthquake endorsement, indicate the dollar value of the earthquake limit on structure.

**G. Amount of Fire Limit on Contents**

Indicate the dollar amount of the policy limit on fire coverage for contents.

**H. Amount of Earthquake Limit on Contents**

If the policy carries an earthquake endorsement, indicate the dollar value of the earthquake limit on contents.

**I. Policy Limit for Loss of Use**

Indicate the dollar amount of the policy limit for loss of use; if there's no dollar amount, leave the field blank.

**J. Year Built**

Indicate the 4-digit year in which the insured structure was built.

**K. Number of Stories**

Indicate the number of stories of the dwelling structure.

**L. Building Class Code (ISO and WSRB Codes are 1A,1B,1C, 2A, etc...)**

Provide the building class/construction code used by the company to rate the policy. If the company doesn't use rating bureau codes, provide a listing of the company codes together with an explanation.

**M. Did soil conditions contribute significantly to the loss?**

1 = Yes

0 = No

**N. Was this a fire loss?**

1 = Yes

0 = No

Fill in the following columns only as they pertain to incurred losses (or portions of the loss) covered by the Earthquake Endorsement. If the policy does not have an earthquake endorsement, leave the following columns (columns O to V) blank and then move on to column W.

**O. Dollar Amount of Earthquake Deductible**

Indicate the dollar value of the policy's earthquake deductible.

**P. Amount of Loss before Deductible, dwelling, structure (Coverage A)**

Indicate the amount of incurred loss before deductible for dwelling structure covered by the earthquake endorsement.

**Q. Amount of Loss after Deductible, dwelling, structure (Coverage A)**

Indicate the amount of incurred loss after deductible for dwelling structure covered by the earthquake endorsement.

**R. Amount of Loss before Deductible, dwelling, other structure (Coverage B)**

Indicate the amount of incurred loss before deductible for dwelling - other structures covered by the earthquake endorsement.

**S. Amount of Loss after Deductible, dwelling, other structure (Coverage B)**

Indicate the amount of incurred loss after deductible for dwelling - other structures covered by the earthquake endorsement.

**T. Amount of Loss before Deductible, dwelling, contents (Coverage C)**

Indicate the amount of incurred loss before deductible for dwelling contents covered by the earthquake endorsement.

**U. Amount of Loss after Deductible, dwelling, contents (Coverage C)**

Indicate the amount of incurred loss after deductible for dwelling contents covered by the earthquake endorsement.

**V. Amount of Loss, dwelling, loss of use (Coverage D)**

Indicate the amount of incurred loss before deductible for dwelling loss of use covered by the earthquake endorsement.

Fill in the following columns only as they pertain to incurred losses (or portions of a loss) covered, but not by an earthquake endorsement. (This applies to policies with or without an earthquake endorsement.)

**W. Dollar Amount of Policy Deductible**

Indicate the dollar value of the policy deductible associated with the claim.

**X. Amount of Loss before Deductible, dwelling, structure (Coverage A)**

Indicate the amount of incurred loss before deductible for dwelling structure covered but not by an earthquake endorsement.

**Y. Amount of Loss after Deductible, dwelling, structure (Coverage A)**

Indicate the amount of incurred loss after deductible for dwelling structure covered but not by an earthquake endorsement.

**Z. Amount of Loss before Deductible, dwelling, other structure (Coverage B)**

Indicate the amount of incurred loss before deductible for dwelling - other structure covered but not by an earthquake endorsement.

**AA. Amount of Loss after Deductible, dwelling, other structure (Coverage B)**

Indicate the amount of incurred loss after deductible for dwelling - other structure covered but not by an earthquake endorsement.

**AB. Amount of Loss before Deductible, dwelling, contents (Coverage C)**

Indicate the amount of incurred loss before deductible for dwelling contents covered but not by an earthquake endorsement.

**AC. Amount of Loss after Deductible, dwelling, contents (Coverage C)**

Indicate the amount of incurred loss after deductible for dwelling contents covered but not by an earthquake endorsement.

**AD. Amount of Loss, dwelling, loss of use (Coverage D)**

Indicate the amount of incurred loss for dwelling loss of use covered but not by an earthquake endorsement.

## **COMMERCIAL/MULTIFAMILY LOSSES**

The following information must be provided for each commercial or multifamily policy related claim. Name the file as CCLM.XLS. Companies who will be using more than one file to report dwelling losses should name the files as CCLM1, CCLM2, etc.

Since some policies may have multiple zip code/location exposures, treat each location/zip code as a separate policy if possible. If it is not possible, code the policy under the zip code with the highest loss exposure.

The fields to be reported are as follows:

Column/Field	Description
--------------	-------------

**A. NAIC Code**

Indicate the 5-digit company NAIC Code.

**B. Claim file number**

Indicate a unique claim file number. If the Office of Insurance Commissioner has questions regarding specific claims, the company should be able to identify it through the claim number.

**C. Policy Form Code**

8=Commercial/Businessowners Forms - multifamily structures

9=Commercial/Businessowners Forms - other than multifamily structures

**D. Zip Code**

Indicate the zip code at which the loss occurred. For losses in multiple locations, treat each location/zip code as a separate policy if possible. If it is not possible, code the policy under the zip code with the highest loss exposure.

**E. Amount of Fire Limit on Structure**

Indicate the dollar value of the fire limit on structure.

**F. Amount of Earthquake Limit on Structure**

If the policy carries an earthquake endorsement, indicate the dollar value of the earthquake limit on structure.

**G. Amount of Fire Limit on Business Personal Property**

Indicate the dollar value of the fire limit on contents.

**H. Amount of Earthquake Limit on Business Personal Property**

If the policy carries an earthquake endorsement, indicate the dollar value of the earthquake limit on contents.

**I. Policy Limit for Business Income**

Indicate the dollar value of the policy limit for business interruption; if there is no dollar value, leave the field blank.

**J. Dollar Amount of Earthquake Deductible**

Indicate the dollar value of deductible for the policy's earthquake endorsement.

**K. Year Built**

Indicate the 4-digit year in which the insured structure was built.

**L. Number of Stories**

Indicate the number of stories of the commercial/multifamily structure.

**M. Building Class Code (ISO Codes are 1A,1B,1C, 2A, etc...)**

Provide the building class/construction code used by the company to rate the policy. If the company doesn't use the ISO codes, provide a listing of the company codes together with an explanation.

**N. Did soil conditions contribute significantly to the loss?**

1 = Yes

0 = No

**O. Was this a fire loss?**

1 = Yes

0 = No

- P. Amount of Loss before Deductible, commercial/multifamily structure**  
Indicate the amount of incurred loss before deductible on commercial/multifamily structure.
- Q. Amount of Loss after Deductible, commercial/multifamily structure**  
Indicate the amount of incurred loss after deductible on commercial/multifamily structure.
- R. Amount of Loss after Deductible, commercial/multifamily business personal property**  
Indicate the amount of incurred loss after deductible on commercial/multifamily business personal property.
- S. Amount of Loss after Deductible, commercial/multifamily business income**  
Indicate the amount of incurred loss after deductible on commercial/multifamily business income.
- T. Type of Occupancy Code**  
Indicate the code for type of occupancy (mercantile, office, restaurant, etc.), otherwise, if it's a multi-family policy, leave blank. Provide a listing of the codes used together with an explanation. Use the ISO code if applicable.
- U. Is there a glass coverage loss?**  
1=Yes 0=No
- V. Is there an "other than earthquake sprinkler leakage" water damage coverage loss?**  
1=Yes 0=No
- W. Is there an earthquake sprinkler coverage loss?**  
1=Yes 0=No
- X. Is there a building structure damage coverage loss?**  
1=Yes 0=No
- Y. Is there a legal liability coverage loss?**  
1=Yes 0=No
- Z. Is there a looting coverage loss?**  
1=Yes 0=No
- AA. Is there a business income and extra expense coverage loss?**  
1=Yes 0=No
- AB. Is there a business personal property coverage loss?**  
1=Yes 0=No
- AC. Is there a leasehold interest coverage loss?**  
1=Yes 0=No

**SECTION D**  
**Individual Residential Claim Information**  
**Nisqually Earthquake Survey**

Company NAIC: \_\_\_\_\_ Company Name: \_\_\_\_\_

Enter below the total figures for data submitted in the DCLM file(s) for section D:

**DWELLING/RESIDENTIAL STRUCTURE LOSSES:**

Total Number of Claims	Total Dollar Amount of Fire Limit		Total Dollar Amount of Earthquake Limit		Total Policy Limit for Loss of Use Coverage	Total Dollar Amount of Earthquake Deductible
	Structure	Contents	Structure	Contents		

TOTAL AMOUNT OF INCURRED (PAID + RESERVE) LOSSES							
Losses Covered by:	Dwelling/Structure (Coverage A)		Other Structure (Coverage B)		Dwelling Contents (Coverage C)		Dwelling Loss of Use (Coverage D)
	Before Deductible	After Deductible	Before Deductible	After Deductible	Before Deductible	After Deductible	
Earthquake Endorsement							
Other than Earthquake							

Number of disks or CDs submitted: \_\_\_\_\_ Total Number of DCLM files submitted: \_\_\_\_\_

**SECTION D**  
**Individual Commercial/Multifamily Claim Information**  
**Nisqually Earthquake Survey**

Company NAIC: \_\_\_\_\_ Company Name: \_\_\_\_\_

Enter below the total figures for data submitted in the CCLM file(s) for section D:

**COMMERCIAL/MULTIFAMILY LOSSES**

Type of Policy	Total Number of Claims	Total Amount of Fire Limit		Total Amount of Earthquake Limit		Total Policy Limit for Loss of Income	Total Dollar Amount of Earthquake Deductible
		on Structure	on Bus. Pers. Prop	on Structure	on Bus. Pers. Prop		
Commercial Business							
Commercial Multifamily							

Type of Policy	Amount of Loss on Structure		Amount of Loss on Business Personal Property After Deductible	Amount of Loss on Business Income
	Before Deductible	After Deductible		
Commercial Business				
Commercial Multifamily				

Number of disks or CDs submitted: \_\_\_\_\_ Total Number of CCLM files submitted: \_\_\_\_\_

## EDITING DATA

The following guidelines should be used by the company to validate data it is submitting (in addition to other guidelines it might already be using). These are some of the guidelines that will be used by the Office of Insurance Commissioner to validate the submissions received:

### Section C:

1. Check the average amount of coverage. For each policy form, calculate the average amount of coverage by dividing the total amount of coverage with the number of policies (i.e., dividing column F by column D will give the average amount of fire coverage on structure for policies with an earthquake endorsement, dividing column H by D will give the average content coverage for those same policies). Compare these averages with the range of limits that the company actually writes; a company that insures predominantly expensive homes (more than \$300,000) is not expected to have an average coverage for structure of only \$103,000. The average Renter and Condo policies do not usually exceed \$80,000.
2. Check the total number of policies by policy form. Adding columns D and E should give the total number of policies written by the company for each specific policy form and zip code. A company that has written only 50 policies in Western Washington is not expected to have more than 50 policies reported in this section. (This may not apply to commercial policies with multiple zip code locations where each location or zip code is counted as one policy for this reporting.)
3. The total number of claims (column L) should be the same as the number of records reported in Section D, which requires the reporting of claims individually. Columns M and Q may not necessarily equal column L as there may be claims covered by both earthquake and by other than earthquake.
4. The amount of losses in Section C (columns N, O, P, R, S, and T) should match the amount of loss after deductible in Section D (columns Q, S, U, V, Y, AA, AC and AD for residential and columns Q, R, and S for Commercial) for each zip code

*Column N in Section C should equal the sum of columns Q and S in Section D for residential policy forms- structure and other structure loss under earthquake endorsement.*

*Column O in Section C should equal column U in Section D for residential policy forms- contents loss under earthquake endorsement.*

*Column P in Section C should equal column V in Section D for residential policy forms- dwelling loss of use under earthquake endorsement.*

*Column R in Section C should equal the sum of columns Y and AA in Section D for residential policy forms- structure and other structure loss not earthquake endorsement.*

*Column S in Section C should equal column AC in Section D for residential policy forms- contents loss under not earthquake endorsement.*

*Column T in Section C should equal column AD in Section D for residential policy forms- dwelling loss of use not under earthquake endorsement.*

*The sum of columns N and R in Section C should equal column Q in Section D for commercial policy forms- structure and other structure loss.*

*The sum of columns O and S in Section C should equal column R in Section D for commercial policy forms- business personal property.*

*The sum of columns P and T in Section C should equal column S in Section D for commercial policy forms- business income.*

If the figures on items 3 and 4 do not match for each zip code, submit a reconciliation explaining the reasons.

5. The sum of the various fields should be equal to the sums reported on the transmittal forms.

## **Section D:**

### **Residential Claims**

1. Check the average amount of coverage. For all the claims reported, get the average coverages for structure and contents for each policy form (columns E, F, G and H) and compare them to the average amounts of coverages calculated in Section C.
2. Condo and Renter policies usually do not have sizable structure coverages; if there are any structure coverage, they are usually minimal. The same applies for condo and renter losses, they're minimal if there at all.
3. The amount of loss should be less than the amount of coverage for each claim.
4. The class code should be available for residential structures. Since residential structures are rated based on their construction code (frame, masonry, etc.), the company should be able to identify this information.
5. The total losses by zip code should match the losses reported on Section C (item 4 in the Section C data validation).
6. The sum of the various fields should be equal to the sums reported on the transmittal forms.
7. Since only the policies with claims are being reported here, the total amount of coverages in this section should be less than the total amount of coverages reported in section C.

### **Commercial Claims**

1. The amount of loss incurred should be less than the amount of coverage for each claim.
2. The class code and/or occupancy code should be available. Since commercial policies are rated based on the building and/or occupancy code, the company should be able to identify this information.
3. The total losses by zip code should match the losses reported on Section C (item 4 in the Section C data validation).
4. The sum of the various fields should be equal to the sums reported on the transmittal forms.
5. Since only the policies with claims are being reported here, the total amount of coverages in this section should be less than the total amount of coverages reported in section C.



**SECTION E**  
**Nisqually Earthquake Survey**  
**Checklist for Submission**

Here is a listing of the items to be submitted. Check off the items that apply to your company. All companies should submit items 1, 2 and 6. Items 3, 4 and 5 should be submitted by companies that incurred homeowner, earthquake and/or commercial losses.

☐ 1. Section A (page 3)

☐ 2. Section B (pages 6 - 11)

3. Section C

☐ Diskette (POLCNT)

☐ Transmittal Form (page 15)

4. Section D

**Residential Claim Information**

☐ Diskette (DCLM)

☐ Transmittal Form (page 22)

☐ List of Building Codes (Column L) and explanations

☐ Explanation of how the company deductible works (earthquake and policy deductible), including whether the deductible can be expressed as a percentage of the structure coverage or sum of various coverages.

**Commercial Claim Information**

☐ Diskette (CCLM)

☐ Transmittal Form (page 23)

☐ List of Building Codes (Column M) and explanations

☐ List of Occupancy Codes (Column T) and explanations

☐ Explanation on how the company matched losses and coverage amount (in cases of multiple zip code or locations in a single policy).

☐ 5. Reconciliation of the number of claims and losses between Section C and Section D. Each zip code should have matching number of claims and amounts of losses.

☐ 6. This checklist sheet (page 26).